

**FISCAL NOTE**  
**SB 58 – HB 358**

March 23, 2007

**SUMMARY OF BILL:** Requires that each public school teacher receive a \$3,000 annual salary supplement if such teacher obtains a master's degree in the subject area or field of study in which such person teaches or intends to teach.

**ESTIMATED FISCAL IMPACT:**

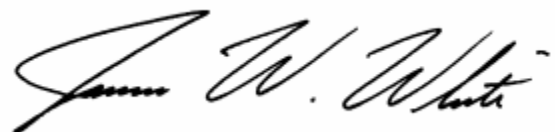
**Increase State Expenditures - \$16,650,000**

**Assumptions:**

- According to the Department of Education's 2006 Annual Statistical Report, there are 60,691 classroom teachers in this state. An estimated 37,000 of that number have a master's degree or higher and an estimated 30,000 have a bachelor's degree.
- In order to receive the \$3,000 supplement, a teacher must have a master's degree in the subject the person teaches in.
- If at least 15% of these teachers have such degrees in their subject area or field of study, an estimated 5,550 teachers would be eligible to receive the annual salary supplement (37,000 teachers x .15).
- The increase in state expenditures is estimated to be \$16,650,000 (5,550 teachers x \$3,000 supplement).
- In addition, there could be a potential liability to the state if teachers currently holding a bachelor's degree choose to obtain a master's degree in their field of study.
- For every 1,000 teachers currently holding bachelor's degrees who obtain a master's degree in the future, state expenditures could increase an estimated \$3,000,000.
- If LEAs choose to increase this teacher supplement, local government expenditures would increase. Such increase cannot be quantified at this time since it is unknown whether LEAs would choose to increase the supplement and the number of teachers who would receive the additional increase is unknown.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director